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PROPOSAL FOR AN EFFECTIVE PRIVATE INSTRUMENT TO
IMPROVE SOCIAL AND ECONOMIC
CONDITIONS IN THE MIDDLE EAST

PROBLEM:

In fourteen Near Eastern countries there is a total population of about 90 million. These countries are Egypt, Saudi Arabia, Yemen, Jordan, Lebanon, Syria, Iraq, Libya, the Sudan, Eritrea, Ethiopia, Turkey, Iran, and Israel. In most of these states the population shows a decided trend to increase, some of them doubling by natural increase in 50-60 years. At the same time standards of living, economic, hygienic, and social, for the masses of the people, show a decided tendency to deteriorate. The social distance between the standards of the ruling class and the masses constantly increases. Hostile propaganda aimed at provoking violent revolutions is being fed in constantly. Effective work, whether by local governments or with outside assistance, is quite inadequate to meet the needs and threats of these countries. The core of the problem lies in the Arab states (Egypt, Lebanon, Syria, Jordan, Iraq, Saudi Arabia, Yemen and Libya) with Turkey, Iran, Israel, the Sudan, Ethiopia, and Eritrea being faced with generally similar conditions. The drift in deterioration of living standards and political stabilities can no longer be ignored by the United States as the menace is too great in this narrowing world community. The technical assistance program (UN, US, and UK) is a move toward solving the problem, but at best it is only a beginning and necessarily slow in accomplishment. Furthermore, governmental efforts have certain inherent limitations and need to be supplemented or reinforced by private activities. The need exists for a non-governmental instrument which would stimulate and foster economic and social development of these countries.

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PROPOSAL:

It is proposed to create a privately controlled benevolent Foundation with adequate financial backing which, through the cooperation of foreign and local specialists and leaders in a broad humanitarian approach, would undertake activities, both long and short range, looking toward the solution of economic, social, and political problems. Such a Foundation under an appropriate name would be managed by a Board on which local nationals from the area would have a considerable representation, and be subsidized by grants from such groups as the Ford and Rockefeller, or other, Foundations to a maximum of \$50 million to be expended over ten years and at such an annual rate as plans would demand. The new Foundation's program would be carried out by a permanent staff of regional experts, foreign and local, and would be headed by a first-class American executive with a knowledge of the area and a devotion to the task of solving its social problems.

DISCUSSION:

There is general agreement that the social and economic conditions of the Middle East must be improved if this area is not to continue to be a serious danger to world peace and stability. While the whole region must be kept within the scope of planning and action, the Arab states being a solid core of nearly 50 million persons and the largest cultural block would be the natural area for initiating activities. The Middle East Foundation charter should be broad enough to permit the Board to include representatives of non-Arab countries in the region if this were found to be desirable. Political frontiers should in no way limit the

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the scope of the Board's effort, but the Board should start with the Arab League states where there is already, in the League itself, a going concern with committees on economics, social welfare and culture which could be strengthened and activated with the Foundation's assistance.

The social pattern in the region, and especially in the Arab states, is one where government is the privilege of a ruling class serving the vested interests in each country, while the masses still live practically as subject peoples with little or no interest in national affairs. The rich are far too rich and the poor far too numerous and far too poor.

The work of the United Nations and interested non-Arab governments in social reconstruction can go only so far because of the legislative limitation on projects, sometimes a shortage of funds, bureaucratic delays and above all because acts of governments are always seen by local peoples, especially the Arabs, as having sinister political motives. The need exists for a non-governmental instrument which would stimulate and foster the economic development of these countries. A Middle East Foundation might perform this function.

The Ford, Rockefeller or some other similar foundation would, either individually or in conjunction with other foundations, agree to set up and finance the MEF to the extent of \$50,000,000 over 10 years*. A minimum period of ten years is vital to success, since the MEF will deal with long-range problems and the staff of the Foundation must have a sufficient prospect of permanence to attract the best

* v. last Para., page 10

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best minds in the Arab world. The founders of MEF should hire at an adequate salary (say \$25,000-\$50,000 per annum) a first-class American expert in the Arab world to be its Organizer and later the Executive Secretary of MEF*.

The Organizer would start by working out with the contributing bodies and Arab experts in Washington and in London a draft charter for the MEF setting forth the purposes and principles under which it would operate, as well as the methods which it would employ.

This task accomplished, the Organizer would proceed to the Middle East for consultations with Azzam Pasha, Secretary General of the Arab League, Nuri Pasha and certain other acknowledged Arab leaders whether official or unofficial. Their advice and counsel in connection with the draft charter would be most useful and lay a firm foundation for their support.

The next stage would be for the Organizer to take advantage of an Arab League meeting to present, on behalf of the backers of the MEF, the Charter of the MEF to the Arab Prime Ministers.

Organization of MEF

The MEF would be a strictly non-governmental body formed to work out comprehensive plans for the improvement of social and economic conditions in the Arab states. In planning, its work would be analogous to that performed by the Brookings Institution in Washington, but it would have an operational function in addition to research. The MEF would also contract with universities and other organizations to operate projects in its behalf. Its greatest asset would be its solvency--it could spend up to \$5,000,000 per year for ten years.

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* An excellent choice for this job would be Mr. Harold Roskins.

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The MEF would be governed by a Board of Directors on which would sit ex officio, the Prime Ministers of the Arab states, who would each receive for their work as Directors their travelling expenses and a director's fee of not less than \$500 per meeting. Other directors would be Americans resident in the area and local nationals. With the Directors, and holding a vote, would sit the American Executive Secretary as representative of the contributors. (The Prime Ministers could send deputies (preferably cabinet ministers) to act for them--it might also be desirable for each Prime Minister to have the privilege, so long as he was Prime Minister, of designating a man of his confidence to serve as a salaried Staff Assistant to the Executive Secretary.) Very much in the background would be the Board of the supporting Foundation whose influence would be profound as it would have the power to veto expenditures.

The Board of Directors would meet at regular intervals (perhaps every three months) to examine projects for the improvement of the area as a whole, to hear reports regarding the progress of projects and in general to supervise the work of the MEF.

Projects

One of the great difficulties surrounding efforts to ameliorate conditions in the Middle East is the fact that such efforts generally impinge upon the rights and privileges, of "vested interests" which, by and large, are represented by the Prime Ministers. All of these men, for political purposes, are loud advocates of reform, but in practice they frequently are inhibited by limited support from their backers. These inhibitions, it is assumed, would largely fall by the wayside

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at a gathering of the Board of Directors of the MEF, since the purpose of this organization would be unexceptionally benevolent and all the Prime Ministers would be in the same boat.

The MEF Board might decide, for example, that the laws of land tenure in the Middle East are inadequate for modern conditions and that a model code of land tenure should be prepared for consideration and study by the several governments. In voting for this study, the Directors of MEF would in no way commit their governments to abide by the results: they would simply express the view that the MEF should spend, say, \$50,000 to employ a group of the leading jurists of the area to prepare such a model code. The Foundation would publish the findings of its experts and then leave it to the several governments to draw from the report any material they found of value.

Note: One advantage of such a model code would be that it would give the younger generation of politicians now arising in the Arab states something positive to shout for. The need for land reform is so great that the mere existence of such a report, prepared by Arabs for Arabs without regard to national frontiers, would probably have a profound effect.

Another subject very much in need of study is the population question and the regulation of population growth and distribution. Some of these areas are grossly overpopulated, while others are decidedly underpopulated, and it is only through the broadest possible cooperation within the area that a reasonable distribution of population can be achieved.

In surveying the many problems of the area, the Board of Directors might decide that a need existed for more Arab

geologists

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geologists--particularly oil geologists. If so, the Board would direct the Executive Secretary to present for their consideration at the next meeting a proposal for increasing the facilities for geological education in the area. The Executive Secretary would examine in conjunction with Point IV (UN and US), the British Middle East Office and the oil companies, what might be done in this connection and then recommend that the MEF should undertake to secure more teachers for the geological faculty of the University of Cairo and that the MEF should undertake a three-year program in conjunction with the Arab Governments for the education of qualified students in the strengthened geological school.

The Board of Directors might decide that education in hygiene and child welfare is lacking in the Arab countries. If so, the MEF would hire at good fees a group of the leading Arab doctors to prepare in simple language a series of basic but up-to-date handbooks, which the Public Health Departments of each government could, if they wished, publish and issue at their own expense. As an extension of this idea the Board might decide to devote a hundred thousand dollars annually for two years to buying space in local newspapers for a syndicated "How to Keep Well Column", which would carry the MEF "byline".

Note: Another advantage of this would be that the Foundation would give the newspapers a small but real financial interest in its work.

In the vast underdeveloped areas of the Middle East, problems needing study, followed by appropriate action, are limitless. A few are suggested herewith:

1. Taxation Systems: aimed at fiscal reform, and a better distribution of the and improved tax collection methods.

2. Public

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2. Public Administration: in behalf of efficiency and honesty in government to replace the traditional pattern of family privilege and graft.

3. The Community and the Family: the ancient pattern of first loyalty being to the family is both an asset and a handicap in the rapidly changing local economies of a closely coordinated world community.

4. A Balanced National Program of Development: all too often development programs are one-sided and important associated effects are ignored, as happened in Egypt with the installation of a system of perennial irrigation to raise cotton, but without estimate as to the bad effect on the peasants' health.

5. The Problem of the Nomad: If settlement on the land is desirable, how to achieve it.

6. Housing: a program of developing designs suited to the mental and social conditions of the people.

7. Feuds - Village and Tribal: A very big problem in community security needs to be studied from the point of view of community and national welfare.

8. Home Industries: How to provide the essentials for an improved standard of living with advantage to the total national economy.

9. Surveys of Economic Resources: Resources available for general local improvement are all too often overlooked in grand schemes of national development.

10. Adult Education: A continuing process in community building; and the necessity of cultivating public opinion to direct social change.

11. Capital Investment Patterns: a study of the problem of persuading capitalists to invest in industrial projects instead of land, jewelry and usury.

12. Exchange

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12. Exchange of statistical information.
13. Subsidies to Arab scientific and medical journals.
14. Subventions to institutions for the purpose of translating technical works from all languages in Arabic, etc. etc.

In the selection of projects the principle criterion would be the value which would be derived by the area as a whole. The Board's views re projects might not always seem wise but in principle it should be recognized the projects visualized by Arabs and conducted by Arabs for Arabs have inherently special merits.

Pitfalls which the MEF should avoid

Among the pitfalls which the MEF would have to avoid:

1. Any implication that it was a thinly veiled instrument of US foreign policy. The MED should welcome the help and cooperation of UN agencies and of the US, British and other governments in carrying out specific projects. It should make contracts involving such help but its activities must be rigidly centered on work for Arabs by Arabs and they must not reflect the US approval or disapproval which from time to time the US Government might feel towards one Arab Government or another. The MEF must be above politics.
2. The MEF should cooperate with the Economic Council of the Arab League (it would be useful to have Azzam Pasha permanently on its payroll as adviser from the start) but since it will be spending its own money, the MEF must avoid losing its identity in the ups and downs of the League.

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Other

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Other Notes

Publicity regarding the MEF meetings and its work will be of great importance, since the topics discussed will in general be non-controversial to any but the ruling minorities who cannot admit that they are. The mere fact that the Board of Directors is discussing the need for trained artisans, male nurses, etc., will have a definite news value throughout the Arab world where, in each country, there are elements not only interested in social and economic problems but willing to work for improvement. The MEF will thus become the forum for Arab aspirations for better things and thus the individual directors will not be able to afford to play a dog-in-the-manger.

The Foundation should welcome funds from any source provided they are made available without strings attached. It should also be willing to supervise approved programs for the account of special contributors, such as the oil companies, provided the contributors gave the MEF a free hand.

A ten-year program within a \$50,000,000 maximum budget is essential in order to establish continuity, seriousness of purpose, and adequate scope to accomplish the many tasks which far-seeing private philanthropy is uniquely in a position to undertake. However, this would not necessitate the expenditure of \$5,000,000 each year. The MEF might get underway with a budget of \$100,000 to hire an Executive Secretary and pay his expenses and those of a small staff. The sponsoring Board in the U.S. would make grants to cover the cost of worthwhile projects as and when approved by the Board of Directors in the Middle East. The

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cost of such projects would not exceed \$5,000,000 in any one year. At the start, it is doubtful that the Board of Directors would find suitable employment for the entire amount.

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